

# FY02 DON Pilot Project Summary

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**Project Name:** Electronic Performance Based Logistics (#403)

**Command:** NAVSUP

**Functional Area Manager (FAM):** Acquisition/Logistics

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## **Pilot Summary:**

Increasingly, Performance Based Logistics (PBL) contracting is being pursued by the DON as a means of improving logistics support while simultaneously reducing cost. Under the terms of each PBL contract, the Navy formally specifies a level of "performance", usually in terms of operational availability or requisition response time, to be provided by the vendor. The NAVICP initiated the ePBL pilot project to standardize and facilitate the transfer of supply documents and information between the Navy and its commercial base, and to develop a common set of metrics for implementation in conjunction with the award of future PBL contracts. The first component of the pilot focused on translating MILSTRIP delivery order documents (purchase orders and requisitions) into extensible Markup Language (XML) format and processing them through EXOSTAR, an aerospace and defense electronic business exchange. The anticipated outcome of this prototype was improved timeliness, accuracy, and asset visibility throughout the supply chain during the logistics fulfillment process. The second major objective of the pilot was to develop standard data requirements and metrics for assessing a PBL vendor's contract performance and producing meaningful management reports to facilitate monitoring of this performance by the Navy, essentially a standard statement of work (SOW) for future PBL contracts negotiated by the NAVICP. A web-based user interface for accessing and displaying this data was developed.

## **Business Value Added:**

- Reduced Average Customer Wait Time (ACWT) for Fleet requisitions
- Standardized metrics and reporting capability for PBL contracts
- Reduced cost through the use of a commercial B2B procurement exchange (EXOSTAR)

## **Other Considerations:**

- While the B2B exchange produced marginally improved response times for fulfillment, the implementation cost for all PBL contracts is not cost effective
- Enterprise implementation of a single web-based solution for accumulating, measuring, and reporting PBL fulfillment information produces an immediate return (this concept is being validated in DON eBusiness pilot project #1212, Metrics & Status for PBL Management)

## **Pilot Participants:**

- Naval Inventory Control Point
- Defense Automated Addressing Systems Center (DAASC)

## **Targeted Users:**

- Contracting Officers
- Weapons System Program Managers & Inventory Managers